

Thank you your continued support and work on reauthorization of the SCHIP program, which is crucial to providing coverage to Mississippi's most vulnerable children. But there are some important things you need to know about pending legislation on this issue.

The proposed compromise bill will not fund Mississippi's SCHIP program at an amount adequate to cover all children at or below 200% of the federal poverty level, but allows other states to expand coverage. I cannot support a bill that does not give Mississippi enough money to fulfill the original intent of the program while allowing other states the opportunity to expand their programs to cover higher-income children and adults who don't have any children.

While I am encouraged the funding formula is being changed somewhat, the proposed formula still causes serious concern for those of us charged with actually administering the program. For example, under the proposed new formula, Mississippi's FY 2008 allotment would be \$142 million; in order to cover all children under 200% of the federal poverty level, Mississippi would require a federal allotment of \$240 million. In other words, our state would still be shortchanged by an enormous amount of money.

For several years, the current distribution formula has resulted in Mississippi being consistently shortchanged. Flaws in the formula have resulted in an inequitable distribution of funds and a redistribution allotment has been needed to cover costs. The current formula does not provide enough money for even half of the children below 200% of the federal poverty level.

You may not be surprised to learn that a recent article in The Clarion-Ledger inaccurately reported that I met with Secretary Leavitt to ask for an increase in Mississippi's SCHIP match rate. I am not requesting an increase in the match rate; Mississippi needs for the formula to be changed so that the federal government will pay the full amount of its share. If it does, Mississippi can cover the remaining 71,000 uninsured children at or below 200% of the federal poverty level, as the program originally intended.

Also, The Clarion-Ledger incorrectly reported that I said there were insufficient state funds; that is not what I said and neither is it correct. The state appropriated sufficient funding for the state's 17% match. The required federal funds are lacking and the flawed funding formula in the conference agreement – even with the billions of dollars in proposed new spending nationally – would still severely shortchange Mississippi.

I cannot support an SCHIP bill that shortchanges Mississippi to such a degree we cannot provide insurance to all our children at 200% federal poverty level, but that bill allows wealthy states to provide insurance under SCHIP to children up to 400%; therefore, I urge you to oppose the conference agreement due to inequities in the funding formula.

Please feel free to call me at 601-359-3150.

Sincerely

Haley Barbour